Trisura President and CEO Mike George knows when to hold ‘em and when to fold ‘em in order to win at today’s insurance game; but does the industry?

Insurance Business: What is the greatest challenge facing Canada’s insurance industry today?
Mike George: There are a number of critical challenges. One of the issues that concerns me is the ongoing negative public perception towards the industry. I still think the insurance industry doesn’t get its fair shake or fair due compared to others. On a personal level, I believe it is a wonderful business, providing incredible opportunities for people, is fascinating and multi-faceted and is an underlying pillar of economic stability and growth. The industry pays our claims and helps businesses and people survive unforeseen and catastrophic events, and does so much good work from a social responsibility standpoint. There are so many positives to it, but the industry gets a really short shrift in terms of what people think about it, and certainly what the press says about it.

A consequence of that perception is the challenge of attracting the best and brightest people into the business in the long run. So a looming challenge for the industry is how do we attract talent going forward? In part, I believe we must create a better image of and perception towards the business.

Another challenge is the unprecedented rate of change. That change means the business is far more complicated today than it ever has been before and is certainly a lot more complicated than when I first got into it. This includes the unprecedented consolidation and number of acquisitions on both broker and company sides of the business. Further, it’s even hard to know who is who anymore – insurance companies owning brokers; reinsurers owning primary insurers; insurance companies going direct; the rate of change has been unbelievable. As a result, the future is harder to predict for the industry, and strategically trying to position one’s business and get it right isn’t easy.

A related challenge to the ‘rate of change’ issue lies on the technology side. I see this as a massive challenge for so many firms, especially those with antiquated systems and platforms, and competitive edges and gaps will likely grow as a result. Technology has become far more important strategically for insurers and brokers alike than ever before.

IB: Desjardins has made a decisive move in the market by acquiring State Farm Canada. Has Trisura any plans to solidify or expand?
MG: Obviously, we are a smaller company with a specialty-lines focus so Desjardins and State Farm are in a different league from a size perspective, at least for now. However, we want to grow, and we will continue to do so organically in our current core product areas because we have the team, the expertise and support of our brokers. But we know we also need to broaden our product mix by introducing new products, and increasing our current appetite and our capacity to do larger deals over time. That will also help us get there.

And for the first time we are starting to think about acquisitions. This may include books of business as well as companies – if the right deal were to come along we would be very interested.

We are also starting to think about expansion on a geographic basis. We've done some of that with the additions of our Halifax and Quebec City branches over the past year or so, but we also need to think about the possibilities of expanding our reach outside of Canada.

IB: Does the current state of insurance demand that companies expand or die?

MG: I am not sure if companies absolutely have to expand or die. Indeed, if not done right, some companies may expand and perish, while some smaller specialist businesses will do fine, especially if they stick to their niche. However, in today’s environment, the high costs of running an insurance company, coupled with the regulatory challenges and the increased requirement for sufficient capital, the low investment return environment, and the chronic soft market – all these things make it increasingly difficult...
We do want to grow, but we want to do it well and we want to do it right – so that the company achieves its full potential for a smaller insurer to thrive. So there's pressure to grow and expand for most as being bigger does have certain advantages, and for those mid-size generalist companies, I would think it's really tough out there.

While I don't believe for a minute that Trisura has to expand or die. We've been doing fine the way we are (but) we do want to grow, by choice, because we believe that will help to make us even more successful in the long run.

IB: Every president and CEO started with a summer job. What was yours?
MG: I grew up in Dundas, just outside of Hamilton which of course is steel town. When I was 15 and 16 my first summer jobs were working on the plant floor of a steel fabricating shop. It was a demanding, dirty job working with a bunch of really tough guys – and I was only a kid – in fact I fibbed about my age because I wasn't really old enough to apply at first. I did all the grunt work and it was an eye-opening experience but I really enjoyed it.

I learned a lot in the steel plant, but the job I learned even more from was catching chickens. While I was in high school, I worked once or twice a week at night and was paid $16 per thousand chickens I caught.

What you typically have is a barn full of about 40,000 chickens that need to be harvested by hand, six or seven at a time, placed into crates and put onto several eighteen wheeler trucks in one night – and it happens to be done in the hottest, dirtiest and dustiest of conditions.

We would have a team of eight or 10 guys, and believe me, everyone had to pull their weight – 600 or 700 trips into the dark barn to collect your birds then return to the trucks - you couldn't leave until the job was done, and if one guy was slacking, you'd have to collect his chickens too. Trust me; insurance is a dream job by comparison!

IB: Aside from being CEO, which job as you climbed the corporate ladder have you found to be the most satisfying? Why?
MG: In terms of the insurance business, I started on the ground floor as a financial analyst in surety, and soon moved to an underwriter position and worked my way up. I absolutely loved those early jobs. I really enjoyed interacting with brokers, and the presidents and CEOs of construction companies. I loved going on site tours and seeing what they were building.

I also truly enjoyed underwriting the risks – trying to decide whether a risk was a good bet or a bad bet – and doing deals. I always thought about the parallel between underwriting and ‘betting’ on the companies and treated my ‘bets’ like it was my own money. Part of the trick to becoming a great underwriter is knowing when to ‘go all in’ on a risk or when to ‘fold,’ and whether the price you received for a risk was decent relative to the risk. Right or wrong, I always enjoyed putting accounts on the books and eventually knowing how my “bets” turned out.

My career has taken me to almost every corner of Canada. I've been to the top of the parliament buildings in Ottawa; I've been to mines in northern Canada, the tops of skyscrapers as they are being built in Toronto and the front of the tunnel boring machines that dig subway tunnels. I can't believe how fortunate I've been, and I believe insurance is an absolutely incredible industry.

IB: This is our ‘Young Guns’ issue. How has Trisura traditionally brought in new staff?
MG: Finding good, talented underwriters and analysts is a big challenge. Part of the difficulty is that our underwriters not only do the risk analysis and assessment, but they have to produce the business, and they are expected to grow that book of business. So they have to be both technically skilled and marketing savvy. Our business is also more than underwriting and we need talented staff in all facets of our business including claims and finance and systems.
The first 20 or so people who joined Trisura were well known to us, and were either people we had worked with before or that we knew from the industry. So that made it easy, because they were all tried and true. But as we grew, we now have 90 people, it became trickier, because we hadn’t worked with the newer staff before.

One smart move we made a number of years ago was we hired an excellent head of human resources, Cindy Grant, and she does a fantastic job in terms of a rigorous screening process. She also introduced the idea of behavioural assessments, because in our shop, the ‘fit’ with our culture and our team is critical. We have no room for egos or for politics.

**IB:** Should insurers develop a framework for apprenticeships? Should the industry demand specific skills from these new professionals entering insurance?

**MG:** We do a lot of co-op placements, with programs in place with a number of universities, both on the undergraduate and graduate level. That has been incredibly successful for us. We’ve done that in Ontario, Alberta and British Columbia, both at the Bachelor of Commerce and the Master of Business and Administration levels. We bring these students in for four months at a time, we get to know them, they get to know us – and if it works out and we have a need, we hire them full-time.

We are also big on employee referrals and pay a bonus to staff who refer us to a qualified candidate who we hire.

I have to tell you, one of the things that has changed in the business are the credentials these “young guns” come to us with are really impressive. That has been a big change, a big shift in the industry. They are much better educated today, and almost all continue their education after graduation, taking courses and

---

**Measuring risks is our expertise!**

Total “Cost of Risk” (COR) can be measured through the use of a Risk Management Map. It will help mitigate known exposures to loss as well as reveal unknown uninsured exposures to loss. Recognition and quantification of these vulnerabilities will only save you and your corporation money in the long run.

**RISKASSIST consulting**

“Enterprise Quality” at a “Mid Market Price”

604. 351. 8353

www.riskassistconsulting.ca  diane@riskassistconsulting.ca

---

**With ClearRisk Manager, we can help you:**

- Perform Better in the Insurance Market: Companies that formally manage risk are favoured by insurers.
- Improve Safety by reducing the frequency and severity of accidents.
- Protect Company Value by safeguarding assets.
- Increase Revenue by decreasing claims costs.
obtaining designations, they are continuing to improve their skills.

We want people who are intelligent, focused and hungry. Everything else we can teach. We have built an apprentice-style framework whereby our newer recruits learn at the hand of a seasoned veteran in a team environment. I think most insurers do a pretty good job in teaching the technical side of the business, and the universities have instilled a thirst for knowledge in their graduates.

What I have found, though, is that the universities could do a better job in social skills development including presentation, sales, business writing, networking, negotiation, public speaking; all those sort of things.

So we’ve developed our own program in house and call it Mentoring our Values and Principles (the MVP). It is not only designed to “teach” the softer skills which are incredibly important for success in the insurance game, but also helps acclimatize these people into our culture.

I also truly enjoyed underwriting the risks – trying to decide whether a risk was a good bet or a bad bet – and doing deals